

AMENDED IN ASSEMBLY JULY 3, 2000

AMENDED IN ASSEMBLY JUNE 15, 2000

AMENDED IN SENATE MAY 26, 2000

AMENDED IN SENATE MAY 1, 2000

**SENATE BILL**

**No. 2029**

**Introduced by Senator Figueroa**

February 25, 2000

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An act to amend and repeal Section 7001 of, to amend, repeal, and add Sections 7003 and 7007 of, to amend, repeal, add, and repeal Section 7002 of, and to add and repeal Sections 7000.6, 7011.2, and 7021 of, the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 2029, as amended, Figueroa. Contractors' State License Board.

The Contractors' State License Law provides for the creation of the Contractors' State License Board with 13 members, and provides for the appointment of a registrar of the board and various other administrative staff positions. Under existing law, these and other related provisions will become inoperative on July 1, 2001, and will be repealed on January 1, 2002.

This bill would require the board to conduct various studies and reviews, and to report to the Department of Consumer Affairs and the Legislature by February 1, 2001. This bill would create a new Contractors' State License Board with 15

members, as specified, effective July 1, 2001, and would enact other related provisions. The provisions creating the new board would become inoperative on July 1, 2005.

*This bill would become operative only if AB 2370 is enacted and becomes operative.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7000.6 is added to the Business  
2 and Professions Code, to read:

3 7000.6. (a) There is in the Department of Consumer  
4 Affairs a Contractors' State License Board, which consists  
5 of 15 members.

6 (b) The Contractors' State License Board created  
7 pursuant to this section shall retain the authority  
8 previously vested with the Contractors' State License  
9 Board created pursuant to Section 7000.5, prior to the  
10 repeal of that section, with respect to conducting all  
11 investigations, inquiries, and disciplinary actions or  
12 proceedings that were unresolved at the time that section  
13 was repealed, and the new board may enforce all  
14 disciplinary actions undertaken by the prior board.

15 (c) This section shall become operative on July 1, 2001.

16 (d) This section shall become inoperative on July 1,  
17 2005, and, as of January 1, 2006, is repealed, unless a later  
18 enacted statute, which becomes effective on or before  
19 January 1, 2006, deletes or extends the dates on which it  
20 becomes inoperative and is repealed. The repeal of this  
21 section renders the board subject to the review required  
22 by Division 1.2 (commencing with Section 473).

23 SEC. 2. Section 7001 of the Business and Professions  
24 Code is amended to read:

25 7001. All members of the board, except the public  
26 members, shall be contractors actively engaged in the  
27 contracting business, have been so engaged for a period  
28 of not less than five years preceding the date of their  
29 appointment and shall so continue in the contracting  
30 business during the term of their office. No one, except a

1 public member, shall be eligible for appointment who  
2 does not at the time hold an unexpired license to operate  
3 as a contractor.

4 The public members shall not be licentiates of the  
5 board.

6 This section shall become inoperative on July 1, 2001,  
7 and, as of January 1, 2002, is repealed, unless a later  
8 enacted statute, which becomes effective on or before  
9 January 1, 2002, deletes or extends the dates on which it  
10 becomes inoperative and is repealed.

11 SEC. 3. Section 7002 of the Business and Professions  
12 Code is amended to read:

13 7002. One member of the board shall be a general  
14 engineering contractor, two members shall be general  
15 building contractors, two members shall be specialty  
16 contractors, one member shall be a member of a labor  
17 organization representing the building trades, and seven  
18 members shall be public members, one of whom shall be  
19 an active local building official.

20 For the purposes of construing this article, the terms  
21 “general engineering contractor,” “general building  
22 contractor,” and “specialty contractor” shall have the  
23 meanings given in Article 4 (commencing with Section  
24 7055) of this chapter.

25 Each contractor member of the board shall be of  
26 recognized standing in his or her branch of the  
27 contracting business. Each member of the board shall be  
28 at least 30 years of age and of good character.

29 Each member of the board shall have been a citizen  
30 and resident of the State of California for at least five years  
31 next preceding his or her appointment.

32 This section shall become inoperative on July 1, 2001,  
33 and, as of January 1, 2002, is repealed, unless a later  
34 enacted statute, which becomes effective on or before  
35 January 1, 2002, deletes or extends the dates on which it  
36 becomes inoperative and is repealed.

37 SEC. 4. Section 7002 is added to the Business and  
38 Professions Code, to read:

39 7002. (a) One member of the board shall be a general  
40 engineering contractor, two members shall be general

1 building contractors, two members shall be specialty  
2 contractors, one member shall be a member of a labor  
3 organization representing the building trades, one  
4 member shall be an active local building official, and  
5 eight members shall be public members.

6 For the purposes of construing this article, the terms  
7 “general engineering contractor,” “general building  
8 contractor,” and “specialty contractor” shall have the  
9 meanings given in Article 4 (commencing with Section  
10 7055).

11 Each contractor member of the board shall be of  
12 recognized standing in his or her branch of the  
13 contracting business, hold an unexpired license to  
14 operate as a contractor, and be actively engaged in the  
15 contracting business, have been so engaged for a period  
16 of not less than five years preceding the date of his or her  
17 appointment, and shall so continue in the contracting  
18 business during the term of his or her office.

19 The public members shall not be current or past  
20 licensees of the board, a close family member of a  
21 licensee, formerly or currently connected with the  
22 construction industry, or have any financial interest in the  
23 business of a licensee of the board, and shall meet all other  
24 requirements for public membership pursuant to  
25 Chapter 6 (commencing with Section 450) of Division 1.

26 Each member of the board shall have been a citizen  
27 and resident of the State of California for at least five years  
28 next preceding his or her appointment.

29 (b) The Governor shall appoint all of the members to  
30 the board other than two of its public members, one of  
31 whom shall be appointed by the Senate Committee on  
32 Rules, and the other shall be appointed by the Speaker of  
33 the Assembly.

34 (c) Except for the initial appointments, all  
35 appointments to this board shall be for a period of four  
36 years. Of the initial appointments, two public members  
37 and the general engineering contractor appointed by the  
38 Governor shall each serve for a term of one year. The  
39 public members appointed by the Senate Committee on  
40 Rules and the Speaker of the Assembly shall each serve for

1 a term of two years. One of the specialty contractors and  
2 the active local building official appointed by the  
3 Governor shall each serve for a term of two years. Two of  
4 the public members, one of the general building  
5 contractors, and the member of a labor organization  
6 representing the building trades appointed by the  
7 Governor shall each serve a term of three years. The  
8 remaining two public members, the other general  
9 building contractor, and the other specialty contractor  
10 appointed by the Governor shall each serve for a term of  
11 four years.

12 This section shall become operative on July 1, 2001.

13 This section shall become inoperative on July 1, 2005,  
14 and as of January 1, 2006, is repealed, unless a later  
15 enacted statute, which becomes effective on or before  
16 January 1, 2006, deletes or extends the dates on which it  
17 becomes inoperative and is repealed.

18 SEC. 5. Section 7003 of the Business and Professions  
19 Code is amended to read:

20 7003. Except as otherwise provided, an appointment  
21 to fill a vacancy caused by the expiration of the term of  
22 office shall be for a term of four years and shall be filled,  
23 except for a vacancy in the term of a public member, by  
24 a member from the same branch of the contracting  
25 business as was the branch of the member whose term has  
26 expired. A vacancy in the term of a public member shall  
27 be filled by another public member. Each member shall  
28 hold office until the appointment and qualification of his  
29 or her successor or until the office is deemed to be vacant  
30 pursuant to Section 1774 of the Government Code,  
31 whichever first occurs.

32 Vacancies occurring in the membership of the board  
33 for any cause shall be filled by appointment for the  
34 balance of the unexpired term.

35 No person shall serve as a member of the board for  
36 more than two consecutive terms.

37 The Governor shall appoint five of the public members,  
38 including the local building official, and the six members  
39 qualified as provided in Section 7002. The Senate Rules

1 Committee and the Speaker of the Assembly shall each  
2 appoint a public member.

3 This section shall become inoperative on July 1, 2001,  
4 and, as of January 1, 2002, is repealed, unless a later  
5 enacted statute, which becomes effective on or before  
6 January 1, 2002, deletes or extends the dates on which it  
7 becomes inoperative and is repealed.

8 SEC. 6. Section 7003 is added to the Business and  
9 Professions Code, to read:

10 7003. Except as otherwise provided, an appointment  
11 to fill a vacancy caused by the expiration of the term of  
12 office shall be for a term of four years and shall be filled,  
13 except for a vacancy in the term of a public member, by  
14 a member from the same branch of the contracting  
15 business as was the branch of the member whose term has  
16 expired. A vacancy in the term of a public member shall  
17 be filled by another public member. Each member shall  
18 hold office until the appointment and qualification of his  
19 or her successor or until the office is deemed to be vacant  
20 pursuant to Section 1774 of the Government Code,  
21 whichever first occurs.

22 Vacancies occurring in the membership of the board  
23 for any cause shall be filled by appointment for the  
24 balance of the unexpired term.

25 No person shall serve as a member of the board for  
26 more than two consecutive terms.

27 The Governor shall appoint six of the public members  
28 and the seven members qualified as provided in Section  
29 7002. The Senate Rules Committee and the Speaker of the  
30 Assembly shall each appoint a public member.

31 Appointing powers may appoint members who  
32 previously served on the previous board.

33 This section shall become operative on July 1, 2001.

34 SEC. 7. Section 7007 of the Business and Professions  
35 Code is amended to read:

36 7007. Seven members constitute a quorum at a board  
37 meeting.

38 Due notice of each meeting and the time and place  
39 thereof shall be given each member in the manner  
40 provided by the bylaws.



1 This section shall become inoperative on July 1, 2001,  
2 and, as of January 1, 2002, is repealed, unless a later  
3 enacted statute, which becomes effective on or before  
4 January 1, 2002, deletes or extends the dates on which it  
5 becomes inoperative and is repealed.

6 SEC. 8. Section 7007 is added to the Business and  
7 Professions Code, to read:

8 7007. Eight members shall constitute a quorum at a  
9 board meeting.

10 This section shall become operative on July 1, 2001.

11 SEC. 9. Section 7011.2 is added to the Business and  
12 Professions Code, to read:

13 7011.2. The board by and with the approval of the  
14 director shall appoint a registrar of contractors and fix his  
15 or her compensation.

16 The registrar shall be the executive officer and  
17 secretary of the board and shall carry out all of the  
18 administrative duties as provided in this chapter and as  
19 delegated to him or her by the board.

20 For the purpose of administration of this chapter, there  
21 may be appointed a deputy registrar, a chief reviewing  
22 and hearing officer and, subject to Section 159.5, other  
23 assistants and subordinates as may be necessary.

24 Appointments shall be made in accordance with the  
25 provisions of civil service laws.

26 This section shall become operative on July 1, 2001.

27 This section shall become inoperative on July 1, 2005,  
28 and, as of January 1, 2006, is repealed, unless a later  
29 enacted statute, which becomes effective on or before  
30 January 1, 2006, deletes or extends the dates on which it  
31 becomes inoperative and is repealed.

32 SEC. 10. Section 7021 is added to the Business and  
33 Professions Code, to read:

34 7021. The board shall conduct the following studies  
35 and reviews, and shall report to the department and the  
36 Legislature no later than February 1, 2001.

37 (a) The board shall conduct a comprehensive study of  
38 the issues surrounding home improvement contracts that  
39 involve home equity lending fraud and scams, and  
40 provide recommendations to deal with this problem.

1 (b) The board shall conduct a comprehensive study of  
2 its reorganization (“reengineering”) plan to restructure  
3 intake, mediation, and investigation services, and  
4 evaluate the impact this effort has had on consumer and  
5 industry access to board staff, its ability to reduce  
6 timeframes for complaint processing and investigations,  
7 increasing mediations, investigations, and legal actions,  
8 productivity of staff, and overall costs to the board.

9 (c) The board shall conduct a comprehensive study  
10 and review of recovery fund programs in California and  
11 other states which provide compensation to consumers  
12 for financial injury caused by a licensed professional. It  
13 should evaluate the effectiveness of these programs and  
14 whether such a recovery fund could benefit consumers  
15 who are harmed as a result of contractor fraud, poor  
16 workmanship, malfeasance, abandonment, failure to  
17 perform, or other illegal acts.

18 (d) The board shall review its current disclosure policy  
19 and provide recommended changes.

20 This section shall become inoperative on July 1, 2001,  
21 and, as of January 1, 2002, is repealed.

22 *SEC. 11. This act shall become operative only if*  
23 *Assembly Bill 2370 of the 1999–2000 Regular Session is*  
24 *enacted and becomes operative.*

